

HALF-YEAR REPORT 2023

Continued strong profit growth and cash flow

Second quarter 2023

- Sales volume decreased by 1.7 per cent to 120.5 ktonnes (122.5) and net sales decreased to SEK 6,008 million (6,875).
- Adjusted operating profit¹ increased to SEK 450 million (348).
- Adjusted operating profit per tonne increased to 3.7 kSEK (2.8).
- Operating profit was SEK 450 million (410).
- Profit for the period increased to SEK 316 million (274).
- Diluted earnings per share increased to SEK 2.97 (2.58).
- Cash flow before financing activities adjusted for expansion investments and acquisitions was SEK 779 million (722).
- Total carbon emissions intensity (scope 1+2+3)³ was 8.5 tonnes CO₂e/tonne (8.0).
- The share of sourced recycled aluminium increased to 41.2 per cent (35.4).

First half-year 2023

- Sales volume decreased by 3.5 per cent to 240.6 ktonnes (249.2) and net sales decreased to SEK 11,976 million (12,955).
- Adjusted operating profit¹ increased to SEK 851 million (678).
- Adjusted operating profit per tonne increased to 3.5 kSEK (2.7).
- Operating profit was SEK 851 million (740).
- Profit for the period increased to SEK 570 million (514).
- Diluted earnings per share increased to SEK 5.35 (4.83).
- Cash flow before financing activities adjusted for expansion investments and acquisitions was SEK 1,066 million (–502).
- Financial net debt was SEK 3,867 million at 30 June 2023 (SEK 3,882 million at 31 December 2022), corresponding to 1.8 times adjusted EBITDA (1.9 times at 31 December 2022).
- Total carbon emissions intensity (scope 1+2+3)³ was 8.8 tonnes CO₂e/tonne (8.5).
- The share of sourced recycled aluminium increased to 39.4 per cent (33.2).

Summary

SEK million	Q2			Jan–Jun			12 months rolling	Full year
	2023	2022	Δ	2023	2022	Δ	Jul 2022– Jun 2023	2022
Sales volume, ktonnes	120.5	122.5	–1.7%	240.6	249.2	–3.5%	470.7	479.3
Net sales	6,008	6,875	–12.6%	11,976	12,955	–7.6%	23,513	24,492
Adjusted operating profit ¹	450	348	29.5%	851	678	25.4%	1,322	1,150
Adjusted operating profit per tonne, kSEK	3.7	2.8	0.9	3.5	2.7	0.8	2.8	2.4
Operating profit	450	410	9.9%	851	740	14.9%	1,246	1,136
Profit for the period	316	274	15.4%	570	514	10.9%	756	700
Earnings per share diluted, SEK	2.97	2.58	0.39	5.35	4.83	0.52	7.10	6.58
Adjusted cash flow before financing activities ²	779	722	7.8%	1,066	–502	n/a	2,186	618
Financial net debt	–	–	–	3,867	4,396	–529	3,867	3,882
Financial net debt/Adjusted EBITDA ¹	–	–	–	–	–	–	1.8	1.9
Return on capital employed, %	–	–	–	–	–	–	10.2	9.4
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne ³	8.5	8.0	6%	8.8	8.5	3%	9.0	8.9
Share of sourced recycled aluminium, %	41.2	35.4	5.8 ppt	39.4	33.2	6.2 ppt	35.9	32.7

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Adjusted for expansion investments and acquisitions, see alternative performance measures for further information.

³ Carbon emissions (scope 1+2+3) are defined in accordance with the Greenhouse Gas Protocol, see Definitions for further information.

COMMENTS BY THE CEO

Strong execution in first year of new strategy

STRONG PROFIT GROWTH DESPITE WEAKER DEMAND

The general economic slow-down combined with high downstream inventory levels continued to put pressure on demand in most customer groups. The exception was Automotive, where we continued to see good demand in both in Gränges Americas and Gränges Eurasia. In Asia, we also saw a strong recovery from the second quarter 2022, which was impacted by the Covid-19 lockdown. In both business areas, we succeeded to partly offset demand fluctuations with flexibility in sales. As a net effect, sales volume decreased in Gränges Americas and increased in Gränges Eurasia. For Gränges as a whole, sales volume in the second quarter decreased slightly.

We also continued to offset cost and mix challenges with pricing and productivity improvements. Together with favourable currencies and positive timing effect from price surcharges, these actions increased the operating profit by almost 30 per cent to SEK 450 million. We are quite proud of this strong performance in a very challenging environment. It is also our best-ever quarterly result.

In addition, cash flow improved significantly in the second quarter thanks to a successful focus on reducing inventory.

ACCELERATING OUR NAVIGATE PLAN

One year into our Navigate plan, it is time to review progress. To restore strong value creation, we have focused on finalizing investment projects, on capacity and utilization improvement, as well as on optimizing mix and margins. The results are evident in our strong margin improvement.

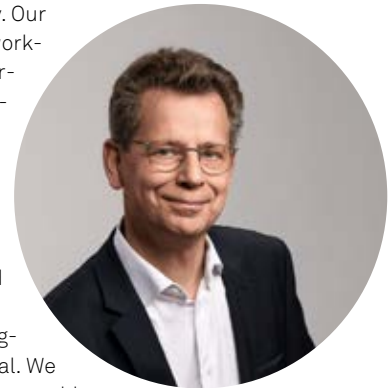
To build a world-leading aluminium technology company for the longer term requires action in several areas. We have reduced

safety risks significantly. Our commercial teams are working across regions, securing new business in electrification and other areas. We achieved our best-ever recycling in the quarter thanks to new partnerships in both business areas and to our new recycling and casting centre in Huntingdon, now fully operational. We

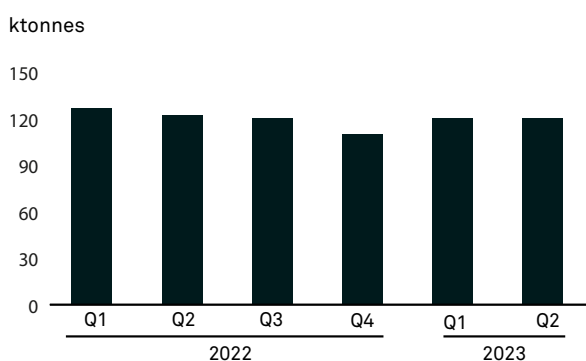
shifted to 100 per cent renewable electricity and launched our new solar panel investment at our Shanghai site. However, our total carbon emission intensity increased in the quarter because of our phase-out of low-carbon primary aluminium from Russia. We see this as a temporary setback in our otherwise very strong sustainability development. These and other actions show that a long-term focus can generate results also in the short term.

We also seek opportunities to invest in sustainable growth. We are making good progress in meeting the growing demand for battery components. This goes both for our capacity expansion projects and for new commercial contracts. The interest from leading global battery manufacturers and existing Tier 1 and OEM customers in electrification solutions remains very high. We are continuing investment in recycling and debottlenecking in Gränges Americas. Our joint venture in sustainable aluminium production in China is progressing as planned with the aim to come online during 2024.

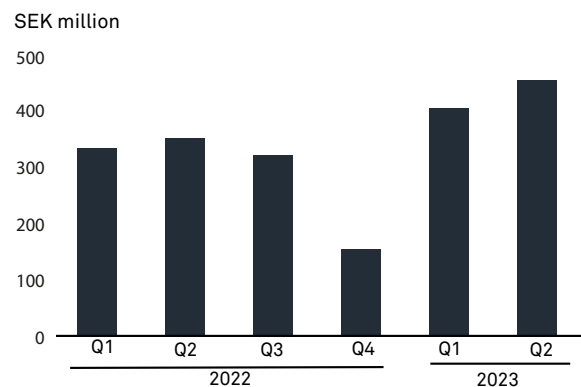
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Quarterly sales volume



Quarterly adjusted operating profit



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HIGH AMBITION LEVEL IN UNCERTAIN MARKET

Market uncertainty remains high globally. In the third quarter, we expect softer year-on-year demand in most markets but stable demand from automotive customers. We intend to continue to meet demand variation with flexibility and new business growth. In total, we expect sales volume in the third quarter 2023 to decline year-on-year by a mid-to-high single-digit percentage. The positive timing effects from surcharge clauses in customer contracts in the second quarter are not expected to recur in the third quarter. As a result of these and other effects, we expect operating profit per tonne in the third quarter to be weaker sequentially but stronger year-over-year.

STRONG TEAM FULLY COMMITTED TO SUSTAINABLE GROWTH PLAN

In June, we had the first in-person Global Leadership Summit after four years of travel constraints. Our visit to our business unit in Konin and the joint work to sharpen our sustainable growth strategy created a lot of energy. It was very impressive to see the progress in Gränges Konin, the safety improvements, and the pride and engagement of all team members.

I'm now more confident than ever that the energized, focused, and strong global Gränges team will succeed with our strategy for sustainable growth.

Jörgen Rosengren
President and CEO



Building a world-leading aluminum technology company requires efforts in several areas: Gränges focuses, among other things, on improving safety and being an attractive workplace, optimizing capacity utilization, developing new customer segments and bringing home new business, reducing climate impact and ensuring responsible sourcing.

MARKET DEVELOPMENT

Gränges is an aluminium technology company and a leading global supplier of rolled aluminium products and solutions for thermal management systems, speciality packaging and selected niche applications. Gränges' key end-customer markets are Automotive currently representing 43 per cent, HVAC representing 20 per cent, Speciality packaging and Other niches representing 18 per cent and 19 per cent respectively of sales volume for the last 12 months.

Short-term sales to the Automotive industry are primarily driven by the number of vehicles produced. Medium and long term, the increasing share of electric vehicles is expected to have a further positive impact on demand for Gränges' products. Sales to the HVAC industry are influenced by consumer confidence and the general activity within building and construction, whereas increased requirements on energy efficiency of HVAC units are expected to have a further positive impact on the demand for Gränges' products in the medium and long term. The demand for materials for Speciality packaging is relatively stable in its nature and sales to Other niche applications are largely driven by the general economic activity.

In the second quarter of 2023, demand from Gränges' end-customer markets showed a mixed development. Sales to automotive customers increased by 13 per cent compared with the same quarter last year, with strong demand across all regions as vehicle production continued to recover after last years' supply chain disruptions. Sales of HVAC materials decreased by 15 per cent in the second quarter of 2023 due to lower demand at end-customer level combined with continued destocking among HVAC manufacturers. Sales of Speciality packaging materials decreased by 10 per cent in the second quarter, and sales to Other niches decreased by 6 per cent due to lower market demand in combination with continued high inventory levels in Europe.

SALES DEVELOPMENT

Gränges' sales volume in the second quarter of 2023 decreased by 1.7 per cent to 120.5 ktonnes (122.5) while net sales decreased by 12.6 per cent to SEK 6,008 million (6,875) compared to the same quarter previous year. The decrease in net sales was primarily driven by a decreased aluminium price which more than offset a higher average fabrication price. Changes in foreign exchange rates had a net positive effect of SEK 346 million.

For Gränges Americas, the external sales volume decreased by 11.3 per cent to 56.5 ktonnes (63.8) and external net sales decreased to SEK 3,046 million (3,698) in the second quarter of 2023. The decrease in sales volume was due to lower demand in

the HVAC, Speciality packaging and Other niches markets. Changes in foreign exchange rates had a net positive effect on net sales of SEK 217 million.

For Gränges Eurasia, the external sales volume increased by 8.9 per cent to 63.9 ktonnes (58.7) while external net sales decreased to SEK 2,962 million (3,177) in the second quarter of 2023. The increase in sales volume was driven by increased sales to Automotive customers. Changes in foreign exchange rates had a net positive effect on net sales of SEK 129 million.

During January–June 2023, Gränges' sales volume decreased by 3.5 per cent to 240.6 ktonnes (249.2) compared to the corresponding period previous year. Net sales amounted to SEK 11,976 million (12,955) and changes in foreign exchange rates had a net positive effect on net sales of SEK 729 million.

For Gränges Americas, the external sales volume decreased to 116.7 ktonnes (127.8) and external net sales was SEK 6,157 million (6,904) during the first half of 2023. For Gränges Eurasia, sales volume increased to 124.0 ktonnes (121.5) while external net sales decreased to SEK 5,819 million (6,051).

OPERATING PROFIT

Adjusted operating profit for the second quarter of 2023 increased to SEK 450 million (348), corresponding to adjusted operating profit per tonne of 3.7 kSEK (2.8). The main drivers of the increased profit were higher average fabrication price, partly fueled by a timing effect from surcharge clauses in customer contracts, in combination with improved productivity and reduced inflationary pressure on certain input costs. In addition, the new recycling and casting centre in Gränges Americas contributed to reduced raw material costs. The lower sales volume and unfavorable development of geographical mix had a negative impact on adjusted operating profit. Changes in foreign exchange rates had a net positive impact of SEK 85 million compared with the second quarter last year.

Operating profit for the second quarter of 2023 increased to SEK 450 million (410) and includes no items affecting comparability (62). For further information see Note 5.

During the period January–June 2023, adjusted operating profit increased to SEK 851 million (678), and adjusted operating profit per tonne was 3.5 kSEK (2.7). Changes in foreign exchange rates had a net positive impact of SEK 148 million for the first half of 2023 compared with the corresponding period last year. Operating profit amounted to SEK 851 million (740) and includes no items affecting comparability (62). For further information see Note 5.

External sales volume growth

Q2 2023

End-customer	Automotive		HVAC		Speciality packaging		Other niches		Total	
Gränges Americas	6%	↗	-15%	↘	-11%	↘	-18%	↘	-11%	↘
Gränges Eurasia	14%	↗	-	-	-7%	↘	1%	↗	9%	↗
Total	13%	↗	-15%	↘	-10%	↘	-6%	↘	-2%	↗

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Profit before tax for the second quarter of 2023 increased to SEK 366 million (354). Finance income and costs was SEK –85 million (–56). The increase in finance costs is related to higher market interest rates. Income tax for the second quarter of 2023 was SEK –50 million (–80). Income tax in the quarter includes withholding tax of SEK –14 million related to a dividend from the Chinese subsidiary to Gränges AB. The withholding tax was more than offset by positive tax effects totaling SEK 32 million which refers to tax credits in the US and adjustments from previous years. Excluding the withholding tax and the positive tax effects, the effective tax rate was 17 per cent (22). The profit for the period increased to SEK 316 million (274) and diluted earnings per share rose to SEK 2.97 (2.58).

For the period January–June 2023, profit before tax increased to SEK 681 million (658). Finance income and costs was SEK –170 million (–83). Income tax for the period was SEK –112 million (–144). Excluding the withholding tax and the positive tax effects in the second quarter, the effective tax rate was 19 per cent (22). The profit for the period increased to SEK 570 million (514) and diluted earnings per share rose to SEK 5.35 (4.83).

CASH FLOW

Cash flow from operating activities was SEK 830 million (793) in the second quarter of 2023 and includes a working capital reduction of SEK 245 million. Cash flow from investing activities in the quarter relates to capital expenditure of SEK –198 million (–218) and divestments of SEK 1 million (–). Of the total capital expenditure, SEK –53 million refers to investments to maintain and improve efficiency in current production facilities and SEK –145 million refers to investments related to the expansion of the production facilities.

Cash flow before financing adjusted for expansion investments and acquisitions amounted to SEK 779 million (722) in the second quarter of 2023. Cash flow from financing activities was SEK –416 million (–84) in the second quarter of 2023 and includes a dividend payment of SEK –266 million, new loans of SEK 2,145 million and repayment of loans of SEK –2,216 million.

During January–June 2023, cash flow from operating activities was SEK 1,166 million (–346). Cash flow from investing activities relates to capital expenditure of SEK –450 million (–372) and divestments of SEK 1 million (–). Of the total capital expenditure, SEK 101 million relates to investments to maintain and improve efficiency in current production facilities and SEK 348 million refers to investments related to the expansion of the production facilities.

During January–June 2023 cash flow before financing activities amounted to SEK 717 million (–719). Cash flow from financing activities was SEK –632 million (1,031) during the first half-year and includes a dividend payment of SEK –266 million, new loans of SEK 3,976 million and repayment of loans of SEK –4,173 million.

Cash and cash equivalents amounted to SEK 975 million on 30 June 2023 (SEK 879 million on 31 December 2022).

FINANCIAL POSITION

Gränges' total assets amounted to SEK 18,443 million on 30 June 2023 (SEK 17,530 million on 31 December 2022). The equity to assets ratio was 48.3 per cent on 30 June 2023 (46.8 per cent on 31 December 2022).

Financial net debt was SEK 3,867 million on 30 June 2023 (SEK 3,882 million on 31 December 2022), corresponding to 1.8 times adjusted EBITDA (1.9 times on 31 December 2022).

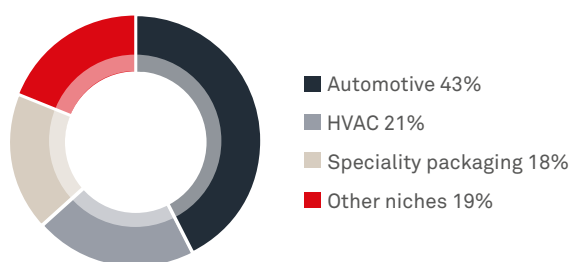
EMPLOYEES

The average number of employees was 2,703 (2,712) in the second quarter and 2,685 (2,699) for the first half-year of 2023.

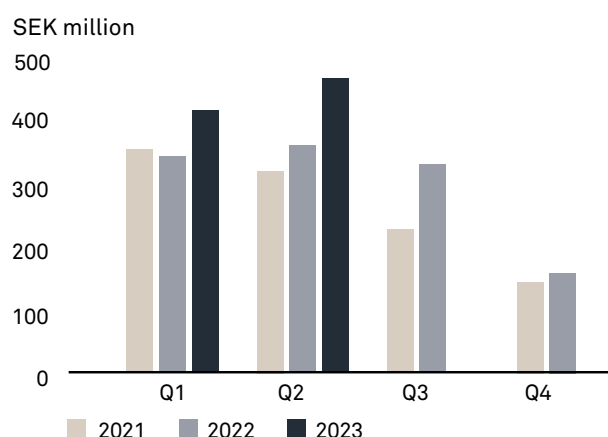
PARENT COMPANY

Gränges AB is the parent company of the Gränges Group. Its operations include Group Management and Group functions such as finance, treasury, sustainability and communication. For the first half-year of 2023, net sales in the parent company was SEK 63 million (61). Result for the period January–June was SEK 288 million (–38) and includes dividend from the Chinese subsidiary of SEK 295 million (–).

12 months rolling sales volume per end-customer



Quarterly adjusted operating profit



GRÄNGES AMERICAS

- Continued weak market conditions except in Automotive.
- Price increases and productivity gains fully compensated for cost increases.
- New recycling and casting centre in full operation.

MARKET AND SALES

Gränges Americas continued to experience strong demand from Automotive customers in the second quarter of 2023. Sales to HVAC customers decreased driven by weaker end-customer demand combined with continued destocking. Sales of materials for Speciality packaging and Other niches also decreased in the quarter. In total the sales volume in the second quarter decreased by 11.4 per cent to 56.5 ktonnes (63.8) while net sales decreased to SEK 3,046 million (3,692). The decrease in net sales is primarily driven by the lower volume and a decreased aluminium price, while higher average fabrication price and changes in foreign exchange rates had a positive impact.

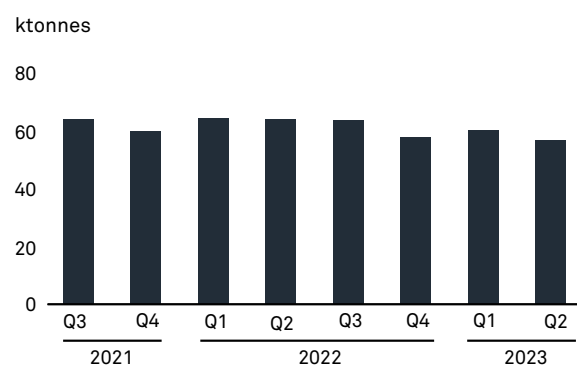
During the period January–June 2023, total sales volume decreased by 8.7 per cent to 116.7 ktonnes (127.8) while total net sales decreased to SEK 6,157 million (6,885).

ADJUSTED OPERATING PROFIT

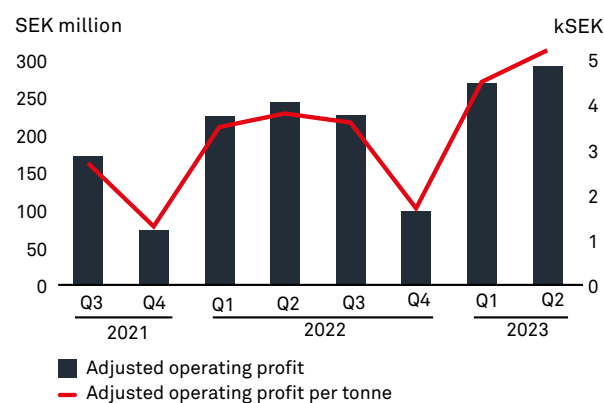
The adjusted operating profit for the second quarter of 2023 increased to SEK 292 million (244). This corresponds to an adjusted operating profit per tonne of 5.2 kSEK (3.8). The negative effect from lower sales volume in the quarter was more than offset by an increased average fabrication price in combination with improved productivity and reduced inflationary pressure on certain input costs. In addition, the new recycling and casting centre in Huntingdon was in full operation during the second quarter and contributed to reduced raw material cost. Net changes in foreign exchange rates had a positive impact of SEK 21 million compared with the second quarter last year.

During the period January–June 2023, the adjusted operating profit increased to SEK 561 million (468). By 30 June, 2023, the return on capital employed was 15.4 per cent (15.9) on a rolling 12-months basis.

Sales volume



Adjusted operating profit



Financial summary

SEK million	Q2			Jan–Jun			12 months rolling	Full year
	2023	2022	Δ	2023	2022	Δ	Jul 2022–Jun 2023	2022
Sales volume external, ktonnes	56.5	63.8	-11.4%	116.7	127.8	-8.7%	237.9	248.9
Sales volume internal, ktonnes	–	–	–	–	–	–	–	–
Total sales volume, ktonnes	56.5	63.8	-11.4%	116.7	127.8	-8.7%	237.9	248.9
Net sales, external	3,046	3,698	-17.6%	6,157	6,904	-10.8%	12,390	13,136
Net sales, internal	–	-6	n/a	–	-19	n/a	-3	-21
Total net sales	3,046	3,692	-17.5%	6,157	6,885	-10.6%	12,387	13,115
Adjusted operating profit	292	244	19.8%	561	468	19.7%	887	795
Adjusted operating profit per tonne, kSEK	5.2	3.8	35.2%	4.8	3.7	31.1%	3.7	3.2
Return on capital employed, %	–	–	–	–	–	–	15.4	15.1

GRÄNGES EURASIA

- Strong year-over-year recovery in Asia.
- Weak market conditions in Europe except in Automotive.
- Tailwind from foreign exchange rates.

MARKET AND SALES

Gränges Eurasia continued to experience a mixed market development in the second quarter 2023. Demand from Automotive customers remained strong, fueled by order backlogs at most car makers and cleared-up supply chains. The growth in Automotive was offset by lower sales to Other niche customers in Europe, due to lower market demand in combination with continued high downstream inventory levels. The sales volume in the second quarter increased by 6.2 per cent to 70.2 ktonnes (66.1), while net sales decreased by 8 per cent to SEK 3,307 million (3,593). The decrease in net sales was primarily driven by a decreased aluminium price and lower average fabrication price, which more than offset the positive effects from increased sales volume and changes in foreign exchange rates.

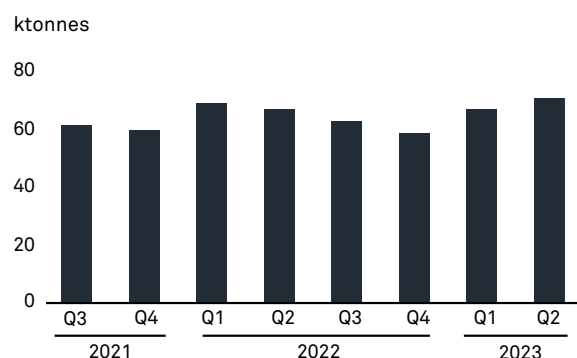
During the period January–June 2023, total sales volume increased by 1.5 per cent to 136.4 ktonnes (134.4) while total net sales decreased to SEK 6,491 million (6,740).

ADJUSTED OPERATING PROFIT

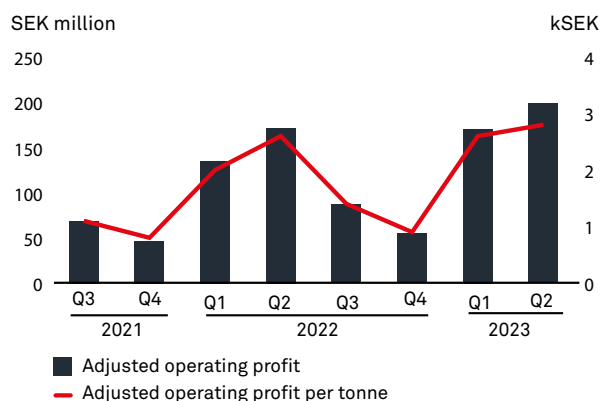
The adjusted operating profit for the second quarter 2023 increased to SEK 199 million (172), corresponding to an adjusted operating profit per tonne of 2.8 kSEK (2.6). The higher sales volume and reduced inflationary pressure on certain input costs had a positive impact on adjusted operating profit in the quarter. This was offset by lower average fabrication price and less efficient metal management primarily connected to the weak demand in Other niche markets. Changes in foreign exchange rates had a net positive impact of SEK 64 million compared with the second quarter last year.

During the period January–June 2023, the adjusted operating profit decreased to SEK 370 million (406). By 30 June, 2023, the return on capital employed was 6.6 per cent (5.9) on a rolling 12-months basis.

Sales volume



Adjusted operating profit



Financial summary

	Q2			Jan–Jun			12 months rolling	Full year
	2023	2022	Δ	2023	2022	Δ	Jul 2022–Jun 2023	2022
SEK million								
Sales volume external, ktonnes	63.9	58.7	8.9%	124.0	121.5	2.0%	232.8	230.4
Sales volume internal, ktonnes	6.2	7.4	-15.4%	12.5	12.9	-3.1%	23.8	24.2
Total sales volume, ktonnes	70.2	66.1	6.2%	136.4	134.4	1.5%	256.6	254.5
Net sales, external	2,962	3,177	-6.8%	5,819	6,051	-3.8%	11,123	11,356
Net sales, internal	345	416	-16.9%	673	689	-2.3%	1,261	1,277
Total net sales	3,307	3,593	-8.0%	6,491	6,740	-3.7%	12,385	12,633
Adjusted operating profit	199	172	16.0%	370	406	20.8%	512	448
Adjusted operating profit per tonne, kSEK	2.8	2.6	9.2%	2.7	2.3	19.0%	2.0	1.8
Return on capital employed, %	-	-	-	-	-	-	6.6	6.0

SUSTAINABILITY

- Another quarter with all time high recycling volumes and share.
- Record low scope 1+2 intensity as a result of higher share of renewable electricity.
- Increased scope 3 intensity driven by phase out of primary ingots produced in Russia.

EMISSIONS AND CLIMATE IMPACT

In the second quarter 2023, Gränges' total carbon emissions intensity (scope 1+2+3) increased to 8.5 tonnes CO₂e/tonne (8.0) compared to the same quarter previous year. Scope 1+2 intensity decreased by 4 per cent to 0.77 tonnes CO₂e/tonne (0.80), mainly driven by the conversion to 100 per cent renewable electricity in the Shanghai production site in 2023. The Shanghai site also installed solar panels that are in use as of the second quarter. Scope 3 intensity increased by 7 per cent to 7.7 tonnes CO₂e/tonne (7.2). The strong recycling performance in the quarter, with increased volumes in both Gränges Americas and Gränges Eurasia, were more than offset by the lower volume of low-carbon primary aluminium caused by Gränges' conscious efforts to phase out primary ingots produced in Russia.

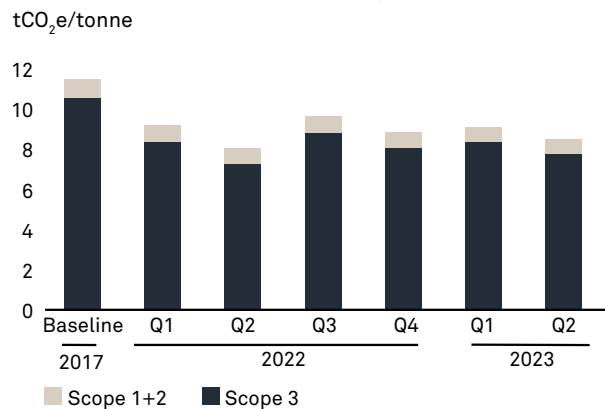
During the last rolling 12 months, the total carbon emissions intensity was 9.0 tonnes CO₂e/tonne, a reduction of 21 per cent compared to baseline 2017.

RECYCLING AND CIRCULARITY

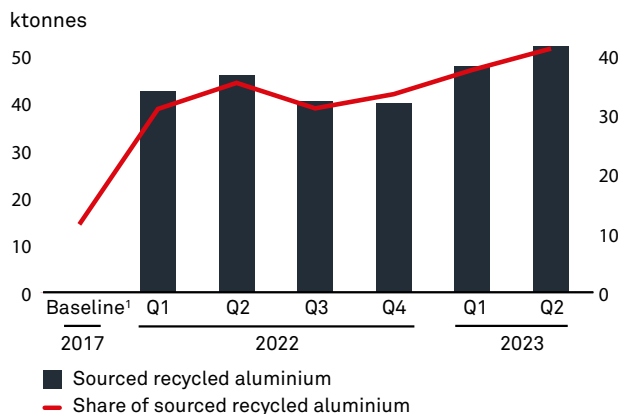
Gränges' focus on recycling and circularity resulted in continued all-time-high recycling volumes and share in the second quarter 2023. The volume of sourced recycled aluminium increased by 6 ktonnes and reached 52 ktonnes (46) compared to the same quarter previous year. This corresponds to 41.2 per cent recycled aluminium of total sourced metal inputs (35.4). The strong performance was driven by continued efforts of replacing primary aluminium with recycled aluminium, with record-high levels across the Group.

On a rolling 12-month basis, the total volume of sourced recycled aluminium reached 181 ktonnes, corresponding to 3.9x the volume in baseline 2017.

Carbon emissions intensity²



Sourced recycled aluminium



Sustainability performance

Sustainability metrics	Q2			Jan–Jun			12 months rolling	Full year		Baseline	
	2023	2022	Δ	2023	2022	Δ	Jul 2022–Jun 2023	2022	Δ	2017	Δ
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne ²	8.5	8.0	6%	8.8	8.5	3%	9.0	8.9	1%	11.4	-21%
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne ²	0.77	0.80	-4%	0.78	0.83	-6%	0.79	0.82	-3%	0.96	-17%
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne ²	7.7	7.2	7%	8.0	7.7	3%	8.2	8.1	2%	10.5	-22%
Sourced recycled aluminium, ktonnes	52	46	14%	100	89	13%	181	169	7%	47	287%
Sourced recycled aluminium, %	41.2	35.4	5.8 ppt	39.4	33.2	6.2 ppt	35.9	32.7	3.1 ppt	11.5	24.4 ppt

¹ Baseline does not include Gränges' production facility in Konin.

² Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach. Baseline 2017 is recalculated to include the production facility in Konin for carbon emissions intensity data.

SIGNIFICANT EVENTS DURING THE PERIOD

No significant events have occurred during the second quarter.

SIGNIFICANT EVENTS AFTER THE PERIOD

No significant events have occurred after the period.

THE SHARE

The share capital in Gränges amounts to SEK 142 million split on 106,308,618 shares, each with a quota value of SEK 1.339775.

Gränges has only one class of shares.

OWNERSHIP STRUCTURE

The number of known shareholders in Gränges was 12,732 on 30 June 2023, according to Euroclear.

Largest shareholders in Gränges at 30 June 2023¹

Shareholder	Number of shares	Share of capital and votes %
Fourth Sw. National Pension Fund	9,864,534	9.3
Swedbank Robur Funds	7,284,544	6.9
AFA Insurance	7,205,312	6.8
Dimensional Fund Advisors	4,702,539	4.4
Handelsbanken Funds	4,169,707	3.9
Vanguard	3,876,540	3.6
Norges Bank	3,394,216	3.2
Third Sw. National Pension Fund	2,796,637	2.6
Fidelity Investments	2,685,096	2.5
Unionen	2,369,999	2.2
Total 10 largest shareholders	48,349,124	45.5
Other	57,959,494	54.5
Total	106,308,618	100.0

¹ Source: Modular Finance.

OTHER

Annual General Meeting 2023

Gränges AB held its Annual General Meeting (AGM) on Wednesday 14 June 2023. The General Meeting re-elected Fredrik Arp, Mats Backman, Martina Buchhauser, Peter Carlsson, Katarina Lindström, Hans Porat, Steven Armstrong and elected Gunilla Saltin as Board members. The General Meeting re-elected Fredrik Arp as Chair of the Board. The General Meeting resolved, in accordance with the Board of Directors' proposal, on a dividend of SEK 2.50 (2.25) per share which was paid in June 2023.

The General Meeting also resolved, in accordance with the Board of Directors' proposal, on a long-term incentive programme, LTI 2023. The programme will run for three years and will be offered to senior managers.

Further, the General Meeting resolved, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to, on one or more occasions until the next Annual General Meeting, issue new shares and/or convertible bonds up to a maximum of 10 percent of the total number of shares in the company after utilization of the authorisation. An issue of new shares and/or convertible bonds can be decided with or without regard to shareholders' pre-emption rights. More information on the resolutions on the AGM and the content in them are available on the company's website, www.granges.com

RISKS AND UNCERTAINTY FACTORS

As a global group with operations in different parts of the world, Gränges is exposed to various risks and uncertainties such as raw material price risk, market risk, operational and legal risk, as well as financial risks related to foreign exchange rates, interest rates, liquidity and refinancing. Gränges' risk management process entails to identify, assess and reduce risks related to the Group's business and operations. More information about risk management is available on pages 53–59 in Gränges' 2022 Annual and Sustainability Report.

SEASONAL VARIATIONS

Gränges' customers are found in the automotive industry, the HVAC industry, the packaging industry, as well as in many other niche markets. Gränges' sales to the automotive industry is highly correlated with the production of light vehicles. Sales to the HVAC industry are impacted by factors such as construction investments, new regulations for energy efficiency and climate impact, and it is usually higher during the summer period driven by a seasonally higher demand for cooling systems. Sales to the packaging and other industries are fairly stable throughout the year. Major annual maintenance work in Gränges' production facilities mainly occurs in the fourth quarter. Overall, the fourth quarter is usually the weakest quarter and the second quarter usually the strongest quarter of the year.

The Board of Directors and the President and CEO declare that the half-year report gives a true and fair view of the performance of the business, financial position and result of operations of the parent company and the Group, and describes the principal risks and uncertainties that the parent company and its subsidiaries are facing.

Stockholm, 14 July, 2023
The Board of Directors of Gränges AB (publ)

Fredrik Arp
Chairman of the Board

Steven Armstrong
Board Member

Mats Backman
Board Member

Martina Buchhauser
Board Member

Peter Carlsson
Board Member

Katarina Lindström
Board Member

Hans Porat
Board Member

Gunilla Saltin
Board Member

Emelie Gunnstedt
Employee representative

Isabelle Jonsson
Employee representative

Jörgen Rosengren
President and Chief Executive Officer

This half-year report has not been reviewed by the auditors of the company.

For additional information, please contact:

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This information is information that Gränges AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, on Friday, 14 July 2023 at 07.30 CEST.

Webcasted presentation

Friday, 14 July 2023, at 10.00 CEST Gränges' CEO Jörgen Rosengren and CFO Oskar Hellström will present the half-year report for January – June 2023.

The webcast will be available live on www.granges.com/investors. To participate in the Q&A, please register a few minutes prior to the webcast. Upon registration, phone numbers and a conference ID to access the webcast will be provided. The presentation will be in English.

Financial calendar

26 October 2023	Interim Report January–September 2023
25 January 2024	Year-end Report 2023
25 April 2024	Interim Report January–March 2024

CONSOLIDATED INCOME STATEMENT (CONDENSED)

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Net sales	2	6,008	6,875	11,976	12,955	24,492
Cost of materials		-3,928	-4,879	-7,972	-9,250	-17,311
Payroll and other operating expenses		-1,425	-1,361	-2,756	-2,568	-5,117
Depreciation, amortization and impairment charges		-205	-289	-397	-459	-914
Items affecting comparability	5	-	62	-	62	-14
Operating profit		450	410	851	740	1,136
Profit or loss from joint ventures	4	1	1	1	1	2
Finance income and costs		-85	-56	-170	-83	-254
Profit before tax		366	354	681	658	884
Income tax		-50	-80	-112	-144	-184
Profit for the period		316	274	570	514	700
Profit for the period attributable to						
– owners of the parent company		316	274	570	514	700
– non-controlling interests		0	0	0	0	0
Earnings per share						
Earnings per share basic, SEK		2.97	2.58	5.36	4.83	6.59
Earnings per share diluted, SEK		2.97	2.58	5.35	4.83	6.58

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONDENSED)

SEK million	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Profit for the period	316	274	570	514	700
Items not to be reclassified to profit/loss in subsequent periods					
Remeasurement of pensions after tax	19	89	19	89	110
Items to be reclassified to profit/loss in subsequent periods					
Change in hedging reserve after tax	71	204	28	112	89
Translation effects	339	419	340	566	602
Comprehensive Income for the period	745	986	956	1,281	1,501
Comprehensive income for the period attributable to					
– owners of the parent company	745	986	956	1,281	1,501
– non-controlling interests	0	0	0	0	0

CONSOLIDATED BALANCE SHEET (CONDENSED)

SEK million	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Intangible assets		1,592	1,479	1,499
Property, plant and equipment		7,722	6,992	7,271
Right-of-use assets		255	252	246
Deferred tax assets		44	64	33
Investments in joint ventures	4	19	18	19
Interest-bearing receivables		6	-	-
Other non-current receivables	3	167	121	182
Non-current assets		9,806	8,926	9,249
Inventories		3,909	4,938	4,270
Receivables	3	3,753	4,217	3,093
Interest-bearing receivables	3	0	3	38
Cash and cash equivalents		975	1,195	879
Current assets		8,637	10,353	8,280
TOTAL ASSETS		18,443	19,279	17,530
EQUITY AND LIABILITIES				
Equity		8,903	7,981	8,206
Interest-bearing liabilities	3	2,996	3,090	2,863
Provisions and other non-current liabilities	3	1,024	937	920
Non-current liabilities		4,020	4,027	3,783
Interest-bearing liabilities	3	2,124	2,768	2,197
Provisions and other current liabilities	3	3,396	4,503	3,344
Current liabilities		5,520	7,271	5,541
TOTAL EQUITY AND LIABILITIES		18,443	19,279	17,530

CONSOLIDATED CHANGES IN EQUITY (CONDENSED)

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Opening balance	8,204	6,930	6,930
Profit for the period	570	514	700
Other comprehensive income for the period	387	767	801
Total comprehensive income for the period	956	1,281	1,501
Dividend	-256	-239	-239
Option premium	-	7	7
Share swap	6	-	5
Total transactions with owners	-259	-232	-227
Equity attributable to owners of the parent company	8,901	7,979	8,204
Equity attributable to non-controlling interests	2	2	2
Closing balance	8,903	7,981	8,206

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

SEK million	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Operating profit		450	410	851	740	1,136
Depreciation, amortization and impairment charges		205	289	397	459	914
Other non-cash items		–	–73	–	–73	–148
Change in working capital etc.		245	204	–2	–1,421	–736
Income taxes paid		–70	–36	–80	–51	–65
Cash flow from operating activities		830	793	1,166	–346	1,102
Investments in property, plant, equipment and intangible assets		–198	–218	–450	–372	–993
Divestments		1	–	1	–	–
Cash flow from investing activities		–197	–218	–449	–372	–993
Cash flow before financing activities		633	575	717	–719	109
Dividend		–266	–239	–266	–239	–239
Share swap		6	–	6	–	5
Option premium		–	7	–	7	7
Interest paid and received		–85	–54	–176	–75	–264
New loans		2,145	2,493	3,976	7,220	14,707
Repayment of loans		–2,216	–2,291	–4,173	–5,883	–14,302
Cash flow from financing activities		–416	–84	–632	1,031	–86
Cash flow for the period		218	491	85	312	23
Cash and cash equivalents at beginning of period		752	655	879	809	809
Cash flow for the period		218	491	85	312	23
Exchange rate differences in cash and cash equivalents		5	48	10	74	48
Cash and cash equivalents at end of period		975	1,195	975	1,195	879

PARENT COMPANY INCOME STATEMENT (CONDENSED)

SEK million	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Net sales	31	31	63	61	133
Payroll and other operating expenses	–47	–74	–84	–137	–217
Depreciation, amortization and impairment charges	0	0	0	–1	–1
Operating profit/loss	–16	–44	–22	–77	–86
Dividends from subsidiaries	295	–	295	–	–
Finance income and costs	29	26	26	39	57
Profit/loss after financial items	308	–18	299	–38	–29
Appropriations	–	–	–	–	34
Income tax	–16	–4	–11	0	–13
Profit/loss for the period	292	–22	288	–38	–8

PARENT COMPANY BALANCE SHEET (CONDENSED)

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Property, plant and equipment	0	1	0
Shares in Group companies	2,986	2,906	2,986
Deferred tax assets	40	47	35
Receivables from Group companies	1,596	3,776	2,281
Other non-current receivables	149	103	116
Non-current assets	4,777	6,832	5,418
Receivables from Group companies	3,421	987	2,885
Other receivables	217	443	112
Cash and cash equivalents	409	423	229
Current assets	4,047	1,852	3,227
TOTAL ASSETS	8,824	8,684	8,645
EQUITY AND LIABILITIES			
Equity	3,216	3,156	3,187
Interest-bearing liabilities	2,787	1,844	2,649
Provisions and other non-current liabilities	52	45	43
Non-current liabilities	2,839	1,888	2,692
Liabilities to Group companies	627	1,229	598
Interest-bearing liabilities	1,920	2,147	1,982
Provisions and other current liabilities	222	263	185
Current liabilities	2,769	3,639	2,766
TOTAL EQUITY AND LIABILITIES	8,824	8,684	8,645

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

The Gränges Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting principles adopted are consistent with those described in the Annual Report for Gränges AB (publ) 2022. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for Legal Entities.

New standards, amendments and interpretations effective from 1 January 2023 or later have not had any material impact on this financial report.

The interim information on pages 2–17 is an integrated part of these financial statements.

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

Gränges' revenue is generated through sale of material that is produced for a certain customer and application. Revenue is recognized at the point in time when control is transferred to the customer. The transaction price for Gränges' products is based on the added value Gränges offers in terms of material properties and production complexity (fabrication price), and the price of the raw material, aluminium. The fabrication price is to a large extent pre-defined while the aluminium price is variable and based on metal price clauses connected to the market price. The table below show Gränges' net sales by business area divided by type of revenue.

SEK million	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Net sales by business area					
<i>Gränges Americas</i>					
Fabrication revenue	1,304	1,131	2,613	2,160	4,542
Raw material and other revenue	1,740	2,559	3,538	4,723	8,553
Revenue from contracts with customers	3,045	3,690	6,151	6,883	13,095
Other revenue	2	2	6	2	20
Total net sales Gränges Americas	3,046	3,692	6,157	6,885	13,115
<i>Gränges Eurasia</i>					
Fabrication revenue	1,450	1,378	2,823	2,649	5,112
Raw material and other revenue	1,851	2,102	3,657	3,973	7,318
Revenue from contracts with customers	3,301	3,479	6,480	6,622	12,430
Other revenue	6	114	11	117	203
Total net sales Gränges Eurasia	3,307	3,593	6,491	6,740	12,633
<i>Other and eliminations</i>					
Fabrication revenue	-227	-231	-433	-386	-771
Raw material and other revenue	-118	-179	-239	-284	-485
Revenue from contracts with customers	-345	-410	-673	-670	-1,256
Other revenue	-	-	-	-	-
Total net sales other and eliminations	-345	-410	-673	-670	-1,256
Total fabrication revenue	2,527	2,277	5,003	4,424	8,883
Total raw material and other revenue	3,473	4,482	6,955	8,412	15,386
Total revenue from contracts with customers	6,001	6,760	11,958	12,835	24,269
Total other revenue	7	116	18	119	223
Total net sales	6,008	6,875	11,976	12,955	24,492

NOTE 3 FINANCIAL INSTRUMENTS

The Group's financial assets consist of lending, accounts receivable, cash and cash equivalents as well as derivatives. The Group's financial liabilities consist of borrowings and accounts payable as well as derivatives. The table below shows the fair value of the derivatives (foreign exchange, aluminium and interest rate derivatives) included in the balance sheet.

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current assets	160	103	170
Current assets	344	636	131
Non-current liabilities	67	11	13
Current liabilities	277	414	202

All derivatives are measured at fair value and are classified according to level 2, i.e., all significant inputs required for measurement of the instruments are observable. Fair value of foreign exchange derivatives is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remaining contract period. Aluminium derivatives are measured at observable quoted prices on LME (London Metal Exchange) and SHFE (Shanghai Futures Exchange) for similar assets and liabilities. Interest rate derivatives are measured at forward rates from observable interest rate curves and discounting of contractual cash flows.

Gränges' interest-bearing liabilities consist of financing from banks, institutions, and the credit market. As per 30 June, 2023, the amount of outstanding term loans from banks and institutions was USD 160 million and SEK 400 million, whereof USD 160 million and SEK 200 million have a sustainability-linked structure. Financing from banks and institutions also includes a sustainability-linked Revolving Credit Facility of SEK 3,500 million which was unutilized as per 30 June, 2023. Financing from the credit market includes corporate bonds issued under Gränges' MTN programme and commercial papers. As per 30 June, 2023, the total volume of outstanding bonds was SEK 900 million, whereof SEK 600 million was sustainability-linked bonds. The outstanding volume of commercial papers was SEK 1,557 million.

The loan facilities are subject to covenants, which are Net Debt/EBITDA and Interest coverage ratio.

SEK million	Limit/Program amount	Year			Total
		< 1	1–2	> 2	
Term loans					
SEK		–	–	400	400
USD		–	436	1,307	1,473
Bonds in MTN programme	3,000	300	–	600	900
Commercial papers	2,000	1,557	–	–	1,557
Revolving Credit Facilities	3,500	–	–	–	–
Lease liabilities		53	45	174	272
Other interest-bearing liabilities		214	–	35	249
Total interest-bearing liabilities		2,124	481	2,515	5,120

Interest-bearing liabilities are measured at amortized cost and the carrying amount as of 30 June 2023 was SEK 5,120 million (SEK 5,060 million as of 31 December 2022). The fair value of interest-bearing liabilities amounted to SEK 5,134 million as of 30 June 2023 (SEK 5,077 million as of 31 December 2022). For other receivables and liabilities, which are short-term, the carrying amount is considered to reflect the fair value.

NOTE 4 RELATED PARTY TRANSACTIONS

No changes have been made to the Group or parent company in relations or transactions with related parties, compared to what is described in the 2022 Annual Report. During the period there have been no significant transactions with related parties.

NOTE 5 ITEMS AFFECTING COMPARABILITY

SEK million	Financial statement line	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Loss on open aluminium position	Items affecting comparability	–	–	–	–	–76
Insurance compensation	Items affecting comparability	–	62	–	62	62
Items affecting comparability		–	62	–	62	–14

There are no items affecting comparability in the first half-year of 2023.

In the third quarter of 2022 a non-recurring loss of SEK 76 million occurred related to an open aluminium position in one of the Gränges subsidiaries. When the exposure was identified the open position was immediately closed.

In the second quarter of 2021, a fire occurred in one of the rolling mills in the US. The incident was covered by property damage and interruption insurance. Insurance compensation less deductibles corresponding to the costs of the fire was reported as part of the adjusted operating profit, while compensation in addition to cost coverage was treated as an item affecting comparability. The insurance claim was finally settled in the second quarter of 2022, resulting in a non-recurring gain of SEK 62 million.

CONSOLIDATED QUARTERLY DATA

SEK million	2023			2022			2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume, ktonnes	120.5	120.2	110.3	119.8	122.5	126.7	112.3	118.5
Income statement								
Net sales	6,008	5,968	5,366	6,172	6,875	6,080	4,857	4,621
Adjusted EBITDA ¹	655	593	344	583	636	501	299	420
Adjusted operating profit ¹	450	401	153	319	348	331	139	219
Operating profit	450	401	153	243	410	331	-21	219
Profit for the period	316	254	51	135	274	240	-23	153
Adjusted EBITDA margin, %	10.9	9.9	6.4	9.5	9.3	8.2	6.2	9.1
Adjusted operating margin, %	7.5	6.7	2.8	5.2	5.1	5.4	2.9	4.7
Adjusted operating profit per tonne, kSEK	3.7	3.3	1.4	2.7	2.8	2.6	1.2	1.8
Operating margin, %	7.5	6.7	2.8	3.9	6.0	5.4	-0.4	4.7
Net margin, %	5.3	4.2	0.9	2.2	4.0	3.9	-0.5	3.3
Balance sheet								
Non-current assets	9,806	9,290	9,249	9,233	8,926	8,446	8,323	8,099
Current assets	8,637	8,463	8,280	10,150	10,353	9,603	7,444	7,399
Equity	8,903	8,417	8,206	8,291	7,981	7,226	6,932	6,745
Non-current liabilities	4,020	3,824	3,783	3,865	4,027	3,634	3,297	3,425
Current liabilities	5,520	5,511	5,541	7,227	7,271	7,189	5,539	5,327
Cash flow								
Operating activities	830	336	919	530	793	-1,140	630	-34
Investing activities	-197	-252	-403	-218	-218	-154	-338	-186
Before financing activities	633	84	516	313	575	-1,294	292	-220
Financing activities	-416	-217	-837	-285	-84	1,115	-580	263
Cash flow for the period	218	-133	-321	28	491	-179	-288	43
Capital structure								
Net debt	4,360	4,388	4,377	4,894	4,917	4,991	3,643	3,810
Equity to assets, %	48.3	47.4	46.8	42.8	41.4	40.0	44.0	43.5
Data per share, SEK²								
Earnings per share basic	2.97	2.39	0.48	1.27	2.58	2.26	-0.21	1.44
Earnings per share diluted	2.97	2.38	0.48	1.27	2.58	2.25	-0.21	1.44
Equity	83.60	79.13	77.18	77.97	75.06	67.86	65.09	63.26
Cash flow from operating activities	7.80	3.16	8.64	4.99	7.46	-10.70	5.91	-0.32
Share price at the end of the period	102.90	98.75	85.30	71.70	76.50	92.70	106.10	105.50
Weighted outstanding ordinary shares, basic in thousands	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6
Weighted outstanding ordinary shares, diluted in thousands	106,499.3	106,374.6	106,322.6	106,345.0	106,333.8	106,495.4	106,498.1	106,615.3

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Calculated on weighted outstanding ordinary shares, diluted.

CONSOLIDATED QUARTERLY DATA

	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume by business area, ktonnes								
Gränges Americas	56.5	60.1	57.7	63.5	63.8	64.0	56.9	63.8
Gränges Eurasia	70.2	66.3	58.1	62.1	66.1	68.3	59.0	60.9
Other and eliminations	-6.2	-6.2	-5.5	-5.8	-7.4	-5.5	-3.6	-6.1
Total	120.5	120.2	110.3	119.8	122.5	126.7	112.3	118.5
Sales volume by end-customer, ktonnes								
Automotive	51.9	51.4	49.1	49.8	46.0	44.9	42.7	44.3
HVAC	23.8	24.9	20.2	27.8	28.0	28.5	22.1	27.1
Speciality packaging	19.1	20.9	22.4	21.0	21.3	22.1	21.0	22.7
Other niches	25.7	23.0	18.6	21.2	27.2	31.3	26.5	24.4
Total	120.5	120.2	110.3	119.8	122.5	126.7	112.3	118.5
Net sales by business area, SEK million								
Gränges Americas	3,046	3,111	2,834	3,397	3,692	3,193	2,485	2,562
Gränges Eurasia	3,307	3,184	2,807	3,087	3,593	3,147	2,526	2,301
Other and eliminations	-345	-327	-274	-312	-410	-260	-153	-242
Total	6,008	5,968	5,366	6,172	6,875	6,080	4,857	4,621
Employees								
Average number of employees	2,703	2,667	2,682	2,697	2,712	2,686	2,682	2,664
Sustainability¹								
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	8.5	9.1	8.8	9.6	8.0	9.1	9.3	8.9
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.77	0.79	0.82	0.80	0.80	0.85	0.96	0.88
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	7.7	8.3	8.0	8.8	7.2	8.3	8.4	8.0
Sourced recycled aluminium, ktonnes	52	48	40	40	46	42	41	37
Sourced recycled aluminium, %	41.2	37.6	33.5	31.1	35.4	31.0	32.9	28.7

¹ Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach.

Sales volume, ktonnes	Automotive		HVAC		Speciality packaging		Other niches		Total	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Gränges Americas	9.8	9.3	23.8	28.0	15.0	16.9	7.9	9.6	56.5	63.8
Gränges Eurasia	47.8	44.0	0.5	0.2	4.1	4.4	17.8	17.6	70.2	66.1
Other and eliminations	-5.7	-7.2	-0.5	-0.2	-	-	-	-	-6.2	-7.4
Total	51.9	46.0	23.8	28.0	19.1	21.3	25.7	27.2	120.5	122.5

CONSOLIDATED 12-MONTHS ROLLING DATA

SEK million	Jul 2022 – Jun 2023	Apr 2022 – Mar 2023	Jan 2022 – Dec 2022	Oct 2021 – Sep 2022	Jul 2021 – Jun 2022	Apr 2021 – Mar 2022	Jan 2021 – Dec 2021	Oct 2020 – Sep 2021
Sales volume, ktonnes	470.7	472.7	479.3	481.3	480.0	488.9	488.9	479.9
Income statement								
Net sales	23,513	24,380	24,492	23,984	22,433	20,167	18,130	16,421
Adjusted EBITDA ¹	2,175	2,156	2,064	2,020	1,856	1,689	1,686	1,729
Adjusted operating profit ¹	1,322	1,220	1,150	1,136	1,036	997	1,008	1,063
Operating profit	1,246	1,206	1,136	962	938	838	833	1,020
Adjusted EBITDA margin, %	9.3	8.8	8.4	8.4	8.3	8.4	9.3	10.5
Adjusted operating margin, %	5.6	5.0	4.7	4.7	4.6	4.9	5.6	6.5
Adjusted operating profit per tonne, kSEK	2.8	2.6	2.4	2.4	2.2	2.0	2.1	2.2
Operating margin, %	5.3	4.9	4.6	4.0	4.2	4.2	4.6	6.2

Capital structure and return indicators

Capital employed	12,947	12,738	12,292	11,886	11,265	10,708	10,117	9,453
Return on capital employed, %	10.2	9.6	9.4	9.6	9.2	9.3	10.0	11.2
Equity	8,358	8,023	7,725	7,433	7,084	6,773	6,521	6,024
Return on equity, %	9.0	8.9	9.1	8.4	9.1	8.8	9.1	12.0
Financial net debt/Adjusted EBITDA	1.8	1.8	1.9	2.1	2.4	2.6	1.8	1.8

¹ Adjusted for items affecting comparability, see Note 5 for further information.

Sustainability²

Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	9.0	8.9	8.9	9.0	8.8	9.1	9.3	–
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.79	0.80	0.82	0.85	0.87	0.87	0.88	–
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	8.2	8.1	8.1	8.1	7.9	8.2	8.4	–
Sourced recycled aluminium, ktonnes	181	174	169	170	166	157	150	–
Sourced recycled aluminium, %	35.9	34.4	32.7	32.6	32.0	29.9	28.5	–

² Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach.

FINANCIALS PER BUSINESS AREA

SEK million	Apr–Jun 2023				Apr–Jun 2022			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	56.5	63.9	–	120.5	63.8	58.7	–	122.5
Sales volume internal, ktonnes	–	6.2	–6.2	0	–	7.4	–7.4	0
Total sales volume	56.5	70.2	–6.2	120.5	63.8	66.1	–7.4	122.5
Income statement								
Net sales, external	3,046	2,962	–	6,008	3,698	3,177	–	6,875
Net sales, internal	–	345	–345	0	–6	416	–410	0
Total net sales	3,046	3,307	–345	6,008	3,692	3,593	–410	6,875
Adjusted operating profit ¹	292	199	–41	450	244	172	–68	348
Adjusted operating profit per tonne, kSEK	5.2	2.8	n/a	3.7	3.8	2.6	n/a	2.8
Capital structure and return indicators								
Capital employed ²	5,885	8,021	–643	13,263	5,579	7,841	–522	12,898
Return on capital employed, % ³	15.4	6.6	n/a	10.2	15.9	5.9	n/a	9.2

SEK million	Jan–Jun 2023				Jan–Jun 2022			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	116.7	124.0	–	240.6	127.7	121.5	–	249.2
Sales volume internal, ktonnes	–	12.5	–12.5	0	–	12.9	–12.9	0
Total sales volume	116.7	136.4	–12.5	240.6	127.7	134.4	–12.9	249.2
Income statement								
Net sales, external	6,157	5,819	–	11,976	6,904	6,051	–	12,955
Net sales, internal	–	673	–673	0	–19	689	–670	0
Total net sales	6,157	6,491	–673	11,976	6,885	6,740	–670	12,955
Adjusted operating profit ¹	561	370	–80	851	468	306	–96	678
Adjusted operating profit per tonne, kSEK	4.8	2.7	n/a	3.5	3.7	2.3	n/a	2.7

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Closing balance at end of the period.

³ Calculated on the average capital employed during the past 12-months period.

FINANCIALS PER BUSINESS AREA

SEK million	Gränges Americas							
	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume external, ktonnes	56.5	60.1	57.7	63.5	63.8	64.0	56.9	63.8
Sales volume internal, ktonnes	–	–	–	–	–	–	–	–
Total sales volume, ktonnes	56.5	60.1	57.7	63.5	63.8	64.0	56.9	63.8
Income statement								
Net sales, external	3,046	3,111	2,842	3,391	3,698	3,206	2,498	2,567
Net sales, internal	–	–	–8	6	–6	–13	–13	–5
Total net sales	3,046	3,111	2,834	3,397	3,692	3,193	2,485	2,562
Adjusted operating profit ¹	292	269	99	227	244	225	73	172
Adjusted operating profit per tonne, kSEK	5.2	4.5	1.7	3.6	3.8	3.5	1.3	2.7
Capital structure and return indicators								
Capital employed ²	5,885	5,673	5,528	6,124	5,579	5,005	4,076	4,066
Return on capital employed, % ³	15.4	15.0	15.1	15.5	15.9	16.6	16.9	17.9

SEK million	Gränges Eurasia							
	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume external, ktonnes	63.9	60.0	52.6	56.3	58.7	62.8	55.4	54.8
Sales volume internal, ktonnes	6.2	6.2	5.5	5.8	7.4	5.5	3.6	6.1
Total sales volume, ktonnes	70.2	66.3	58.1	62.1	66.1	68.3	59.0	60.9
Income statement								
Net sales, external	2,962	2,857	2,524	2,780	3,177	2,874	2,362	2,054
Net sales, internal	345	327	283	306	416	273	164	248
Total net sales	3,307	3,184	2,807	3,087	3,593	3,147	2,526	2,301
Adjusted operating profit ¹	199	171	55	87	172	135	47	69
Adjusted operating profit per tonne, kSEK	2.8	2.6	0.9	1.4	2.6	2.0	0.8	1.1
Capital structure and return indicators								
Capital employed ²	8,021	7,718	7,527	7,609	7,841	7,590	6,815	6,840
Return on capital employed, % ³	6.6	6.3	6.0	6.0	5.9	5.6	6.8	8.7

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Closing balance at end of the period.

³ Calculated on the average capital employed during the past 12-months period.

Alternative performance measures

Gränges makes use of the alternative performance measures Return on capital employed, Financial net debt, Equity to assets ratio and Cash conversion. Gränges believes that these performance measures are useful for readers of the financial reports as a complement to other performance measures when assessing the possibility of dividends, the implementation of strategic investments, and the Group's ability to meet financial commitments. Further, Gränges uses the alternative performance measures Adjusted operating profit, Adjusted operating profit per tonne and Adjusted EBITDA, which are measures that Gränges considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability. For definitions of the measures, see page 24.

SEK million	Q2		Jan–Jun		12 months rolling	Full year
	2023	2022	2023	2022	Jul 2022 – Jun 2023	2022
Adjusted operating profit						
Operating profit	450	410	851	740	1,246	1,136
Items affecting comparability	–	–62	–	–62	76	14
Adjusted operating profit	450	348	851	678	1,322	1,150
Adjusted operating profit per tonne						
Adjusted operating profit	450	348	851	678	1,322	1,150
Sales volume, ktonnes	120.5	122.5	240.6	249.2	470.7	479.3
Adjusted operating profit per tonne, kSEK	3.7	2.8	3.5	2.7	2.8	2.4
Adjusted EBITDA						
Adjusted operating profit	450	348	851	678	1,322	1,150
Depreciation, amortization and impairment charges	205	289	397	459	853	914
Adjusted EBITDA	655	636	1,248	1,137	2,175	2,064
Return on capital employed						
Total assets less cash and cash equivalents and interest-bearing receivables, rolling 12 months average	–	–	–	–	17,452	17,022
Non-interest-bearing liabilities, rolling 12 months average	–	–	–	–	–4,748	–5,022
Pensions, rolling 12 months average	–	–	–	–	243	291
Capital employed	–	–	–	–	12,947	12,292
Adjusted operating profit	–	–	–	–	1,322	1,150
Return on capital employed, %	–	–	–	–	10.2	9.4
Financial net debt/Adjusted EBITDA						
Cash and cash equivalents and interest-bearing receivables	–	–	–981	–1,198	–981 ¹	–917
Interest-bearing liabilities	–	–	5,120	5,859	5,120 ¹	5,060
Lease liabilities	–	–	–272	–265	–272 ¹	–261
Financial net debt	–	–	3,867	4,396	3,867¹	3,882
Adjusted EBITDA, rolling 12 months	–	–	–	–	2,175	2,064
Financial net debt/Adjusted EBITDA	–	–	–	–	1.8	1.9
Equity to assets						
Equity	–	–	8,903	7,981	8,903 ¹	8,206
Total assets	–	–	18,443	19,279	18,443 ¹	17,530
Equity to assets, %	–	–	48.3	41.4	48.3¹	46.8
Adjusted cash flow before financing activities						
Cash flow before financing activities	633	575	717	–719	1,546	109
Cash flow from expansion investments	145	147	348	217	640	509
Adjusted cash flow before financing activities	779	722	1,066	–502	2,186	618

Cont. on next page

Cash conversion

Adjusted cash flow before financing activities	779	722	1,066	-502	2,186	618
Adjusted operating profit	450	348	851	678	1,322	1,150
Cash conversion, %	173	208	125	-74	165	54

¹ Closing balance at the end of the period.

Definitions

Adjusted EBITDA

Adjusted operating profit before depreciation and impairment charges.

Adjusted cash flow before financing activities

Cash flow before financing activities excluding cash flow from non-maintenance investments and acquisitions.

Adjusted operating profit

Operating profit excluding items affecting comparability.

Adjusted operating profit per tonne

Adjusted operating profit divided by sales volume.

Average number of employees

The average number of employees converted to full-time positions.

Capital employed

Total assets less cash and cash equivalents and interest-bearing receivables, minus non-interest-bearing liabilities, excluding pensions.

Carbon emissions scope 1+2

Direct emissions from Gränges' operations and indirect emissions from purchased electricity, heat and steam consumed by Gränges.

Carbon emissions scope 3

Emissions from extraction, production and processing of main purchased materials, fuel and energy related activities (not included in scope 1 or scope 2), upstream and downstream goods transportation as well as business travel.

Carbon emissions intensity

Total emissions of greenhouse gases [tonnes CO₂e] divided by the total packed products [tonnes].

Cash conversion

Adjusted cash flow before financing activities divided by adjusted operating profit.

Cash flow before financing activities

Cash flow from operating activities plus cash flow from investing activities.

Earnings per share

Profit for the period divided by the total number of shares.

Equity to Assets

Equity divided by total assets.

Financial net debt

Cash and cash equivalents and interest-bearing receivables minus interest-bearing liabilities, excluding lease liabilities.

Financial net debt/Adjusted EBITDA

Financial net debt divided by adjusted 12-months rolling EBITDA.

Items affecting comparability

Non-recurring income and expenses.

ktonnes

Volume expressed in thousands of metric tonnes.

Operating profit

Profit before net financial items and tax.

Return on capital employed

Adjusted operating profit divided by average capital employed during the past 12-months period.

Return on equity

Profit for the period divided by average equity during the past 12-months period.

Sales volume

Volumes sold in metric tonnes.

SEK

Swedish Krona.

Share of sourced recycled aluminium

Sourced recycled aluminium used as input materials [tonnes] divided by total sourced metal input materials [tonnes].

Glossary

Alloy

Material composed of one metal with additions of other metals and/or elements.

Aluminium strip

Rolled aluminium in coil form.

Brazing

Joining of metals through melting and solidification.

Cladding

A layer of metal bonded to a dissimilar metal or alloy.

Heat exchanger

A device for transferring heat from one medium to another.

HVAC

Heating, Ventilation and Air Conditioning systems including heat exchangers.

LME

London Metal Exchange.

Rolled aluminium

Aluminium that has been hot and/or cold rolled to desired gauge.

SHFE

Shanghai Futures Exchange.

Slab

Input material to the rolling process that is produced by casting.



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ABOUT GRÄNGES

Gränges is an aluminium technology company that drives the development of lighter, smarter, and more sustainable aluminium products and solutions. The company offers advanced materials that enhance efficiency in the customers' manufacturing process and the performance of the final products. Gränges' innovative engineering has transformed the industry for more than 125 years, and the company holds leading positions in rolled products for thermal management systems, speciality packaging and selected niche applications. Gränges has production facilities and conducts sales in three regions: Asia, Europe, and Americas. The annual production capacity amounts to 610 ktonnes. Gränges has 2,700 employees and the share is listed on Nasdaq Stockholm. More information on Gränges is available at www.granges.com

STRATEGY

Gränges has established a long-term plan, Navigate, for sustainable growth involving three steps: to restore profitability, to build a world-leading aluminium technology company, and to invest in sustainable growth. The new plan also targets continued fast progress toward climate neutrality by 2040. All this is based on Gränges' strong company culture and committed employees.